

House File 605 - Introduced

HOUSE FILE 605
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 182)

A BILL FOR

1 An Act relating to insurance notices and documents delivered
2 by electronic means to a consumer that purchases portable
3 electronics insurance in a retail transaction.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 505B.1, subsection 1, paragraph a,
2 unnumbered paragraph 1, Code 2019, is amended to read as
3 follows:

4 "Delivered or deliver or delivery by electronic means" means
5 any of the following:

6 Sec. 2. Section 505B.1, Code 2019, is amended by adding the
7 following new subsection:

8 NEW SUBSECTION. 4A. a. For purposes of this subsection,
9 "*consumer*" and "*portable electronics insurance*" mean the same as
10 defined in section 522E.1.

11 b. Notwithstanding subsection 4, affirmative consent from
12 a party to have notices and documents delivered by electronic
13 means for portable electronics insurance sold pursuant to
14 chapter 522E is obtained if a consumer provides an electronic
15 mail address and the consumer is provided at the point of
16 sale, or prior to the point of sale, a conspicuously located
17 disclosure advising the consumer that the consumer is giving
18 affirmative consent. The disclosure must also advise the
19 consumer of the consumer's right to receive a paper copy of
20 notices and documents and of the process by which the consumer
21 can opt out of delivery by electronic means.

22 Sec. 3. Section 522E.1, subsection 2, Code 2019, is amended
23 to read as follows:

24 2. "*Consumer*" means a person who purchases portable
25 electronics or portable electronics insurance in a retail
26 transaction.

27 Sec. 4. Section 522E.1, Code 2019, is amended by adding the
28 following new subsection:

29 NEW SUBSECTION. 2A. "*Delivered or deliver by electronic*
30 *means*" means the same as defined in section 505B.1.

31 Sec. 5. Section 522E.9, Code 2019, is amended by adding the
32 following new subsection:

33 NEW SUBSECTION. 7. In order for all portable electronic
34 insurance notices and documents to be delivered by electronic
35 means to the consumer affirmative consent shall be obtained

1 pursuant to section 505B.1, subsection 4A.

2 Sec. 6. Section 522E.13, subsections 5 and 6, Code 2019, are
3 amended to read as follows:

4 5. If a portable electronics insurance policy is terminated
5 by the licensed portable electronics vendor that is the
6 policyholder, the portable electronics vendor shall deliver
7 by mail or deliver by electronic means a written notice
8 to each enrolled consumer advising the enrolled consumer
9 of the termination of the policy and the effective date of
10 termination. The written notice shall be ~~mailed or delivered~~
11 by the portable electronics vendor to the enrolled consumer
12 at least thirty calendar days prior to the termination.
13 However, if the notice is not sent within thirty calendar
14 days, enrollment shall continue until thirty calendar days
15 from the date the portable electronics vendor sends notice of
16 termination to the enrolled consumer or until a new portable
17 electronics insurance policy is in effect.

18 6. Whenever notice or correspondence with respect to a
19 policy of portable electronics insurance is required pursuant
20 to [this section](#), it shall be in writing and sent within the
21 notice period required pursuant to [this section](#). Notices
22 and correspondence shall be sent to the licensed portable
23 electronics vendor that is the policyholder at the portable
24 electronics vendor's mailing or electronic mail address
25 specified for that purpose and to its affected enrolled
26 consumers' last known mailing or electronic mail addresses on
27 file with the insurer or the portable electronics vendor. All
28 notices and documents that are delivered by electronic means
29 shall comply with section 505B.1, except for the provisions in
30 subsection 4. The insurer or portable electronics vendor shall
31 maintain proof that the notice or correspondence was sent for
32 not less than three years after that notice or correspondence
33 was sent.

34 EXPLANATION

35 The inclusion of this explanation does not constitute agreement with

1 the explanation's substance by the members of the general assembly.

2 This bill relates to insurance notices and documents
3 delivered by electronic means to a consumer that purchases
4 portable electronics insurance in a retail transaction.

5 Current law requires that notices or correspondence related
6 to a policy of portable electronics insurance be in writing and
7 that the notices or correspondence be delivered or mailed.

8 The bill provides that notices and correspondence related
9 to a policy of portable electronics insurance may be delivered
10 by electronic means if at the time of purchase the consumer
11 provides an electronic mail address, and the consumer is
12 advised in a conspicuous disclosure, prior to or at the point
13 of sale, that by providing the electronic mail address, the
14 consumer is giving affirmative consent for insurance notices
15 and correspondence to be delivered by electronic means.

16 In addition, the consumer must be provided a conspicuous
17 disclosure advising the consumer of the consumer's right to
18 have the notice or document in paper form, and of the right to
19 cancel the consumer's consent. The bill exempts a licensed
20 portable electronics vendor that is the policyholder and the
21 vendor's endorsee from the other provisions of Code section
22 505B.1(4).

23 The bill requires that an insurer, a vendor, and a vendor's
24 endorsee comply with Code chapter 505B (insurance notices and
25 documents — electronic delivery and posting), except for
26 subsection 4, for all notices and correspondence related to a
27 policy of portable electronics insurance that are delivered by
28 electronic means.